



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-01

DATE: JAN 23 2001

SUBJECT: Solicitation of Interest in Water
Purchase To Augment SWP
2001 Deliveries

FROM: Signed: Thomas M. Hannigan
Director, Department of Water Resources

Attached is the Preliminary Forecast for State Water Project Operations for 2001 under three possible hydrologies. In light of the current allocation of 40% of SWP contract entitlements and in anticipation of further dry conditions, the Department of Water Resources is investigating the possibility of making water purchases to augment supplies for SWP contractors in 2001. Inasmuch as the project serves over 23 million people and irrigates a large portion of the State's agricultural lands, it is necessary to undertake such an investigation to meet the expectation of the 29 contractors who rely on the Department to provide a water supply and who pay all costs of project construction, operation, and maintenance.

With this notice, the Department is contacting the SWP contractors to determine their interest in participating in the purchase of water to augment SWP deliveries in 2001. This notice, and the attached questionnaire, is intended to gauge interest in water purchases for 2001 supplies.

If affirmative responses are received, the Department will pursue discussions that would lead to a program to purchase water to augment SWP supplies for those contractors who are interested in participating in the program. Details of the program will be developed in the coming weeks and communicated to contractors prior to implementation of the program. The program will be structured to provide for advance guarantees of payment by participating contractors.

All contractors should notify the Department, in writing by January 31, 2001, whether or not they are interested in a water purchase program and, if so, provide the following information:

Solicitation of Interest in Water Purchase
To Augment SWP 2001 Deliveries
Page 2

- Amount of water they wish the Department to purchase on their behalf,
- A range of price they are willing to pay for the water, and
- Any time constraints they may have regarding delivery of the water.

The first portion of the program is intended to be in place by mid-February, with guarantees required by February 28, 2001.

Depending on hydrologic conditions, the Department may designate a second open period later in the spring for contractors to request additional water. The program will terminate when all requested water purchases have been made or hydrologic conditions have made the program unnecessary.

The Department will keep contractors informed of all purchases.

The proposed program is undertaken in conjunction with the proposals made by the Governor's Advisory Drought Planning Panel in the December 29, 2000 Critical Water Shortage Contingency Plan. Any purchase program developed in response to this notice will be consistent with that plan.

Please fill out and fax the attached questionnaire to Teresa Geimer. If you have any questions, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or Teresa Geimer or his staff at (916) 653-4547.

Attachments

Preliminary Forecast of 2001 SWP Operations (TAF).

Based on Jan. 1 Snow Survey Forecast with 75% Fall.

	2001												Total	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	(MAF)	
	Using 50% Initial Request Pattern													
50% Exceedence.	BN													Estimated 2001 Allocation = 2.79
	SRI = 12.6													SVI = 6.7
Oroville EOM Storage	1920	2209	2479	2678	2683	2500	2079	1702	1460	1301	1309	1366	-	
Feather R. release (avg. cfs)	2000	1750	1760	1410	1040	3810	6310	6160	5040	3000	1310	1300	-	
SWP Banks PP exports	260	411	434	109	105	110	275	300	308	240	193	232	2.98	
Potential Art. 21 Water Avail.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
SWP San Luis EOM Storage	576	832	1029	865	655	345	145	42	140	185	210	288	-	
SWP Contractor Deliveries	164	145	225	256	294	404	460	390	203	202	180	163	3.08	
90% Exceedence.	C													Estimated 2001 Allocation = 1.07
	SRI = 7.5													SVI = 5.0
Oroville EOM Storage	1714	1770	1833	1872	1741	1573	1401	1270	1245	1216	1245	1325	-	
Feather R. release (avg. cfs)	2000	1750	1760	840	810	1430	1300	1140	1010	890	960	930	-	
SWP Banks PP exports	225	290	248	9	44	4	7	9	6	109	143	253	1.35	
Potential Art. 21 Water Avail.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
SWP San Luis EOM Storage	541	676	820	710	616	448	269	119	42	83	171	372	-	
SWP Contractor Deliveries	164	145	92	102	115	157	171	146	76	75	67	61	1.37	
99% Exceedence.	C													Estimated 2001 Allocation = 0.74
	SRI = 5.9													SVI = 4.5
Oroville EOM Storage	1675	1685	1672	1611	1432	1251	1054	908	848	804	834	911	-	
Feather R. release (avg. cfs)	2000	1750	1760	1090	800	810	1270	1190	1340	1140	960	960	-	
SWP Banks PP exports	185	112	125	7	85	20	0	0	23	124	142	234	1.06	
Potential Art. 21 Water Avail.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
SWP San Luis EOM Storage	501	458	531	452	451	352	210	90	42	109	206	401	-	
SWP Contractor Deliveries	163	144	40	67	62	102	127	107	61	63	55	46	1.04	
													Potential Allocation %	
													66%	
													25%	
													17%	

Questionnaire on 2001 SWP Water Supply

Date: _____

Name of SWP Contractor: _____

_____ I do not wish to participate in a DWR-sponsored water purchase program for 2001.

_____ I do wish to participate in a DWR-sponsored water purchase program for 2001.

Estimate of quantity needed: _____ af

Range of price willing to pay: \$ _____ /af

Preferred time of deliveries _____

Other terms: _____

Comments: _____

Signed: _____

Title: _____